

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
SOUTHERN MADISON WATER DISTRICT ) CASE NO. 8324-2

O R D E R

On January 7, 1983, Southern Madison Water District ("Southern Madison") filed its application with the Public Service Commission ("Commission") seeking authority to adjust its rates in accordance with 807 KAR 5:067, Purchased Water Adjustment Clause.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. Southern Madison's supplier, Berea College Utility ("Berea"), increased the wholesale cost of water from \$.95 to \$1.15 per 1,000 gallons pursuant to a Final Order of the Public Service Commission in consolidated Case Nos. 8531 and 8556, Berea College Water Utility, a Department of Berea College, effective for service rendered on and after November 25, 1982.

2. The statement of water purchased and sold by Southern Madison for the 12-month period ending December 31, 1982, shows that its line loss is approximately 18 percent. After adjusting the line loss to the maximum of 15 percent

allowed by the Commission, the total allowable increase in purchased water costs is \$19,304.73, resulting in a purchased water adjustment in the amount of \$.24 per 1,000 gallons.

(3) The financial exhibits filed by Southern Madison indicate that it cannot absorb an increase of this magnitude in the wholesale cost of water.

(4) The rates proposed by Southern Madison and shown in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that the purchased water adjustment in the amount of \$.24 per 1,000 gallons and the rates in Appendix A be and they hereby are approved for services rendered on and after the date of this Order.

IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of Southern Madison, the base rate for purchased water shall be:

<u>Supplier</u>	<u>Rate</u>
Berea College Water Utility	\$1.15 per 1,000 gallons

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Southern Madison shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 1st day of February, 1983.


ATTEST:

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Secretary

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

## APPENDIX A

### APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8324-2 DATED FEBRUARY 1, 1983

The following rates are hereby prescribed for the customers of Southern Madison Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>GALLONAGE BLOCK</u>	<u>RATES</u>
First 2,000 gallons	\$7.91 minimum
Next 1,000 gallons	3.83 per 1,000 gallons
Next 3,000 gallons	3.48 per 1,000 gallons
Next 4,000 gallons	3.08 per 1,000 gallons
Next 15,000 gallons	2.33 per 1,000 gallons
Next 25,000 gallons	2.08 per 1,000 gallons
Over 50,000 gallons	1.63 per 1,000 gallons